THE HON'BLE MS JUSTICE G.ROHINI

WRIT PETITION No.3190 of 2006

Dated 30-06-2006

Between:

M/s Bhuvanagiri Chemicals Pvt. Ltd., Hyderabad.

..... PETITIONER

AND

The State Bank of India, Hyderabad,
and two others.

.....RESPONDENTS

THE HON'BLE MS JUSTICE G.ROHINI

WRIT PETITION No.3190 of 2006

O R D E R:

This writ petition is filed aggrieved by the action of the first respondent-Bank in rejecting the application of the petitioner for settlement of dues under OTS Scheme and directing it to pay the amount due as per the recovery certificate.

The petitioner contends *inter alia* that as per OTS guidelines the fact that the proceedings initiated by the first respondent-Bank ended in a decree against the borrower is not a ground for rejecting the request for extending the benefits under OTS Scheme.

Clause [i] (c) of the guidelines dated 03-09-2005, which were filed along with the writ petition, runs as under:

> *"These guidelines will cover cases on which the banks have initiated action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and also cases pending before Courts/DRTs/BIFR, subject to consent decree being obtained from the Courts/DRTs/BIFR."*

Having heard the learned counsel for the petitioner and the learned standing counsel appearing for the first

respondent-Bank and having perused the guidelines dated 03-09-2005, I am of the view that the first respondent-Bank ought not to have rejected the request of the petitioner on the ground that O.A.No.619 of 2001 was decreed by the Debts Recovery Tribunal. As a matter of fact, the petitioner states that O.A.No.619 of 2001 was decreed *ex parte* and the petition filed by it to set aside the said *ex parte* decree is pending before the Debts Recovery Tribunal.

In the circumstances, the impugned order dated 07-02-2006 is set aside and writ petition is disposed of directing the respondents to consider the request of the petitioner afresh and pass appropriate orders in accordance with law. No costs.

(G. ROHINI, J)

Date:30-06-2006
ghn